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8 **UNITED STATES DISTRICT COURT**
9 **NORTHERN DISTRICT OF CALIFORNIA**
10 **OAKLAND DIVISION**

11
12 EPIC GAMES, INC.,

13 *Plaintiff, Counter-defendant,*

14 v.

15 APPLE INC.,

16 *Defendant, Counterclaimant.*
17

Case No. 4:20-cv-05640-YGR

**DECLARATION OF DON SECHLER
PURSUANT TO LOCAL RULE
79-5(e)(1) IN SUPPORT OF NON-PARTY
SONY INTERACTIVE
ENTERTAINMENT LLC'S MOTION
TO SEAL**

1 I, Don Sechler, declare as follows:

2 1. I am the Vice President and Global Head of Global Partner Development and
3 Relations Business Operations, Planning & Strategy at Sony Interactive Entertainment LLC
4 (“SIE”). I am more than eighteen years of age. Based on my experience with SIE, I am familiar
5 with SIE’s protection of its trade secrets and other confidential and proprietary business
6 information and the documents I discuss below. I make this declaration based on personal
7 knowledge and, if called as a witness, I could and would testify competently to the matters set
8 forth herein. I previously submitted a declaration dated April 28 related to certain Confidential
9 SIE documents that SIE had produced to Apple in discovery that Apple informed SIE had been
10 placed on its exhibit list. I also submitted a declaration dated April 12 related to certain
11 Confidential SIE information in Apple’s Proposed Findings of Fact and Conclusions of Law.

12 2. I make this declaration pursuant to Civil Local Rule 79-5, in support of SIE’s
13 motion to seal (i) certain deposition and direct witness testimony given in this litigation and (ii)
14 portions of certain trial exhibits because the public disclosure of this information would reveal SIE
15 trade secrets and competitively-sensitive confidential and proprietary business information, and
16 cause competitive harm to SIE.

17 3. As described in more detail below, the testimony and documents reflect different
18 aspects of SIE’s confidential business strategies, confidential contracting terms, and confidential
19 information about the performance of some of its business initiatives and about user behavior, all
20 of which is highly competitively sensitive. If this information were made public, SIE would suffer
21 competitive harm because it would enable SIE’s competitors or other contracting counterparties to
22 gain valuable insight into SIE’s business, which SIE has invested significant resources developing,
23 including through trial and error, and better position themselves in any future competition or
24 negotiation with SIE.

25 4. I understand that, on Thursday, April 29, Epic counsel informed SIE counsel that
26 certain other documents containing SIE confidential information had been placed on Apple’s
27 exhibit list. In addition, I have been provided with certain deposition and written testimony
28 excerpts, which I understand were filed with the Court in Apple’s Expert Written Direct

1 Examinations and Four-Hour Deposition Designation Binders, and that one of the Parties
2 indicated may contain confidential information of SIE. Based on my review of these additional
3 documents and material, I request that the following portions of these SIE confidential documents
4 and testimony excerpts be maintained under seal because the public disclosure of this material is
5 likely to cause competitive harm to SIE. In providing this declaration, I do not mean to suggest
6 that I necessarily agree with the deponent's or witness's characterization of the contractual terms,
7 the purported financial results, or SIE's purported motivations as described by the witness.

8 5. Proposed trial exhibits DX-3582, DX-3660, DX-3988, DX-4425, DX-4493, and
9 DX-4519 are all confidential agreements between Epic and SIE and various amendments. These
10 agreements contain highly confidential terms of the business relationship between the parties,
11 including revenue sharing, pricing, reporting and performance obligations. Each of these contracts
12 includes (or incorporates by reference) strict requirements of confidentiality.

13 6. Proposed trial exhibit DX-3660 is the "Exclusivity and Comarketing Agreement for
14 'Fortnite' on PlayStation 4" (the "Fortnite Comarketing Agreement"). The Fortnite Comarketing
15 Agreement is a multifaceted, heavily-negotiated contract that SIE entered into with Epic regarding
16 the marketing of Epic's Fortnite game on SIE's PlayStation 4 platform. The contract terms are
17 maintained confidentially by the parties because of the competitive harm that would result from
18 public disclosure. SIE is proposing specific, limited redactions of portions of this Agreement that
19 contain the most competitively sensitive discussion of the negotiated obligations of each party
20 with regard to marketing, exclusivity and financial elements of the payment terms. Public
21 disclosure of this information could provide SIE's competitors or other contracting counterparties
22 with information regarding SIE's confidential business strategies and negotiations of confidential
23 payment, exclusivity and marketing obligations with Epic, which they could use to SIE's
24 detriment if disclosed.

25 7. Portions of the deposition excerpts of Joe Kreiner relating to the Fortnite
26 Comarketing Agreement, specifically Kreiner Deposition 35:20–36:6 and 37:4–14, also would
27 cause competitive harm if disclosed because they relate specifically to pricing obligations under
28

1 the contract, the public disclosure of which could harm SIE's competitive position as discussed
2 above.

3 8. Proposed trial exhibit DX-4493 is the "Amendment #1 to Exclusivity and
4 Comarketing Agreement for 'Fortnite' on PlayStation 4" ("Amendment #1"). Amendment #1 to
5 the Fortnite Comarketing Agreement is also a multifaceted, heavily-negotiated contract that SIE
6 entered into with Epic that is subject to strict confidentiality requirements. The contract terms are
7 maintained confidentially by the parties because of the competitive harm that would result from
8 public disclosure. SIE is proposing specific, limited redactions of portions of this Agreement that
9 contain the most competitively sensitive discussion of the negotiated obligations of each party
10 with regard to performance and reporting obligations, marketing, pricing, and other financial
11 elements of Amendment #1. Public disclosure of this testimony could provide SIE's competitors
12 or other contracting counterparties with information regarding SIE's confidential business
13 strategies and negotiations of confidential payment, exclusivity and marketing obligations with
14 Epic, which they could use to SIE's detriment if disclosed.

15 9. Portions of the deposition excerpts of Joe Kreiner relating to Amendment #1 to
16 Exclusivity and Comarketing Agreement for 'Fortnite' on PlayStation 4, specifically Kreiner
17 Deposition 40:2–41:9 and 41:21–42:8, also would cause competitive harm if disclosed because
18 these excerpts purport to reflect SIE's strategies and motivations in negotiating the agreement,
19 contractual pricing terms, and the purported financial results of this cross-platform initiative. Both
20 the contractual terms and the purported user response and financial results relating to SIE's
21 innovative cross-play strategy are particularly sensitive trade secrets. Public disclosure of this
22 testimony would provide SIE's competitors or other contracting counterparties with information
23 regarding SIE's confidential business strategies and negotiations of confidential payment terms
24 with regard to this strategy and would likely cause competitive harm.

25 10. Proposed trial exhibit DX-3988 is the "Amendment #2 to Exclusivity and
26 Comarketing Agreement for 'Fortnite' on PlayStation 4" ("Amendment #2"). Proposed trial
27 exhibit DX-4519 appears to be an exact duplicate of DX-3988. Amendment #2 to the Fortnite
28 Comarketing Agreement is also a multifaceted, heavily-negotiated contract that SIE entered into

1 with Epic that is subject to strict confidentiality requirements. It was entered approximately 6
2 months after Amendment #1, as SIE refined its approach to cross-platform cross play. SIE is
3 proposing specific, limited redactions of portions of DX-3988 and DX-4519 that contain the most
4 competitively-sensitive discussion of the negotiated obligations of each party with regard to
5 performance and reporting obligations, marketing, pricing, and other financial elements of
6 Amendment #2. Public disclosure of these terms could provide SIE's competitors or other
7 contracting counterparties with information regarding SIE's confidential business strategies and
8 negotiations of confidential payment, exclusivity and marketing obligations with Epic, which they
9 could use to SIE's detriment if disclosed.

10 11. The deposition excerpts of Joe Kreiner, Kreiner Deposition 47:20–48:3; 48:20–
11 49:13; 51:12–52:19; and 52:23–53:14, purport to describe specific confidential terms of
12 Amendment #2. These excerpts also purport to reflect SIE's strategies and motivations,
13 contractual payment terms, and the purported results of, and payments made under, the novel
14 cross-platform model. Both the contractual terms and the purported user response and financial
15 results relating to SIE's innovative cross-play strategy are particularly sensitive trade secrets.
16 Public disclosure of this testimony would provide SIE's competitors or other contracting
17 counterparties with information regarding SIE's confidential business strategies and negotiations
18 of confidential payment terms with regard to this innovation and would likely cause competitive
19 harm.

20 12. Proposed trial exhibit DX-3094, entitled "Cross-Platform Policy, Requirements and
21 Process," is a document that SIE provided to Epic on a confidential basis that reflects SIE's
22 strategies and requirements, including with regard to reporting and pricing, with regard to its
23 Cross-Play initiative with Epic. SIE is proposing specific, limited redactions of portions of DX-
24 3094 that reflect the most competitively sensitive reporting and pricing requirements. Public
25 disclosure of these terms could provide SIE's competitors or other contracting counterparties with
26 information regarding SIE's confidential business strategies and negotiations of confidential
27 payment, exclusivity and marketing obligations with Epic, which they could use to SIE's
28 detriment if disclosed.

1 13. Proposed trial exhibit DX-3582, entitled “PlayStation 4 Cross-Platform Policy
2 Schedule to the PlayStation Global Developer and Publisher Agreement” is a confidential
3 agreement between Epic and SIE setting out the parties’ rights and obligations with respect to
4 cross-platform gameplay. Proposed trial exhibit DX-4425 is an earlier iteration of DX-3582. SIE
5 is proposing specific, limited redactions of portions of DX-3582 and DX-4425 that reflect the
6 most competitively sensitive reporting and pricing obligations and financial terms of the contract.
7 Public disclosure of these terms could provide SIE’s competitors or other contracting
8 counterparties with information regarding SIE’s confidential business strategies and negotiations
9 of confidential payment, pricing and reporting obligations under the contract, which they could
10 use to SIE’s detriment if disclosed.

11 14. Proposed trial exhibit DX-3433 is email exchange between employees of Epic and
12 employees of SIE engaged in confidential negotiations over an agreement to expand SIE’s cross-
13 platform gameplay. The exchange contains discussions of potential contracts terms, including
14 pricing and revenue sharing, reporting and performance obligations, SIE’s business strategies, and
15 the potential economic benefits and drawbacks of the concepts being discussed, including some
16 claims purportedly based on confidential information about results of related programs. The public
17 disclosure of this information would subject SIE to competitive harm if disclosed to competitors.
18 SIE is proposing specific, limited redactions of portions of DX-3433 that reflect the most
19 competitively sensitive elements reporting and pricing obligations and financial terms of the
20 contract. In addition, Kreiner Deposition 215:14–23 contains testimony that purports to describe
21 confidential negotiations between SIE and Epic regarding cross-play. For the reasons discussed
22 above, public disclosure of this testimony could provide SIE’s competitors or other contracting
23 counterparties with information regarding SIE’s confidential business strategies and negotiations
24 of confidential terms with Epic and other game developers and would likely cause competitive
25 harm if disclosed.

26 15. Proposed trial exhibit DX-3125 is an email exchange between Epic and SIE
27 engaged in confidential negotiations over a potential agreement to expand SIE’s cross-platform
28 gameplay. The exchange contains discussions of SIE’s business strategies, potential economic

1 benefits and drawbacks of the concepts being discussed, claims of results based on confidential
2 performance results, potential market size, and other issues of competitive significance. SIE is
3 proposing specific, limited redactions of portions of DX-3125 that reflect the most competitively
4 sensitive elements of the exchange. The public disclosure of this information would subject SIE
5 to competitive harm if disclosed to competitors or to actual or potential contract counterparties.

6 16. Proposed trial exhibit DX-3865 is email exchange between Epic and SIE engaged
7 in confidential negotiations over an agreement to expand SIE's cross-platform gameplay. The
8 exchange contains a discussions of potential contracts terms and contract structures, SIE's
9 business strategies, and the potential economic benefits and drawbacks to SIE of the concepts
10 being discussed. SIE is proposing specific, limited redactions of portions of DX-3865 that reflect
11 the most competitively sensitive elements of the exchange. The public disclosure of this
12 information would subject SIE to competitive harm if disclosed to competitors.

13 17. The deposition excerpt of Joe Kreiner, Kreiner Deposition 77:6–78:6, purports to
14 describe certain contractual payment terms and other contractual obligations. Public disclosure of
15 this testimony could provide SIE's competitors or other contracting counterparties with
16 information regarding SIE's confidential business strategies and negotiations of confidential terms
17 with Epic and other game developers and would likely cause competitive harm if disclosed.

18 18. Written Direct Testimony of Lorin M. Hitt, Ph.D ("Hitt Testimony") Figure 4
19 purports to reflect confidential sales data for the Minecraft game on Sony PlayStation. Public
20 disclosure of this confidential sales data in this testimony could provide SIE's competitors or other
21 contracting counterparties with information regarding SIE's sales performance and would likely
22 cause competitive harm if disclosed.

23 19. Hitt Testimony Paragraphs 114–15 purport to describe SIE's business strategy and
24 commercial relationship with Epic based on the witness's review and interpretation of terms in
25 confidential agreements between the parties. Public disclosure of this testimony could provide
26 SIE's competitors or other contracting counterparties with information regarding SIE's
27 confidential business strategies and negotiations of confidential payment terms with Epic and
28 other game developers and would likely cause competitive harm if disclosed.

1 20. Hitt Testimony Paragraph 163 purports to describe the terms of confidential
2 contracts between SIE and Epic regarding pricing and payment structures. Public disclosure of
3 this testimony could provide SIE's competitors or other contracting counterparties with
4 information regarding SIE's confidential business strategies and negotiations of confidential
5 payment terms with Epic and other game developers and would likely cause competitive harm if
6 disclosed.

7 21. In submitting this motion, SIE has not attempted to redact or keep under seal all
8 aspects of the agreements or information, but has limited the proposed redactions in order to keep
9 the request narrowly tailored.

10 22. I declare under the penalty of perjury that the foregoing is true and correct.
11 Executed on this 3rd day of May, 2021.

A handwritten signature in blue ink, appearing to read "Don Sechler", is written over a horizontal line.

DON SECHLER